

Jane M. Williams
Publisher

Austin American Statesman

statesman.com

May 23, 2012

Docket No. MC2012-14

Docket No. R2012-8

Secretary
Postal Regulatory Commission
Washington, DC 20268-001

Dear Secretary:

As publisher of the Austin American-Statesman, I am writing to express concern with the proposed Negotiated Services Agreement (NSA) between the United States Postal Service (USPS) and Valassis, a private advertising company, which is now being considered for regulatory approval.

Advertising inserts of all types, be they durable or semi-durable goods, make up a third of our advertising revenues, which are in turn over half of our total revenues. These are the same revenues that enable us to financially continue our mission of providing accurate and unbiased journalism to our readers and the general public - an integral part of our democracy and an informed electorate.

The proposed short-term steps to help the USPS remain financially viable may well be a worthwhile initiative, however those steps must be in line with USPS long term planning, and they must not unfairly impact third parties. I am concerned the NSA with Valassis will put our newspaper and other Valassis competitors at an unfair disadvantage in our local marketplace. Simply put, an agreement between a government monopoly and Valassis, a private company, would give an unfair pricing advantage in what is otherwise a competitive landscape. Currently the USPS benefits from the level playing field and the enormous volume of business it gets through newspapers; business which will be put at risk if Valassis is given the benefit of a USPS subsidy, and potentially a substantial revenue loss for the USPS. That revenue loss is not being accounted for with the current NSA under consideration.

We must insist that the pricing playing field remain level, and that this proposed NSA be rejected.

Thank you for considering the concerns of our newspaper and our readers.

Sincerely,



Jane Williams
Publisher